

Gender based Consumer Behavior Considering Religiosity in Banking Services; a study on Pakistan's Consumer Market

Dr. Shuomaila Asad

Iqra University, Karachi Email: shuomaila.majeed@gmail.com

Dr. Sara Rashid

Iqra University, Karachi Email: drsara@iqra.edu.pk

ISSN: 3006-6549 (ISSN-L)

ISSN: 3006-6557 (Online)

ISSN: 3006-6549 (Print)

Vol. 2, No. 3 (2024)

Pages: 96 – 103

Keywords

Religiosity, Consumer Behavior,
Banking Service

Corresponding Author:

Dr. Shuomaila Asad

Email: shuomaila.majeed@gmail.com

Abstract: *Pakistani market is based on Islamic values whether it is the routine consumption behavior or special financial transaction and financial services decision. The current study has been focused towards evaluating the role of religiosity in affecting the banking services choice of consumer market in Pakistan considering their gender differences. The study has utilized interviews as a tool to gather qualitative data and generate interpretation to understand that whether gender makes a difference in consumer behavior or not, when it comes to banking service choices in Pakistan. The findings have reflected that consumers in banking industry in Pakistan are surely having different preferences on basis of their gender. Female have been reported to be less inclined towards religiosity and they share more of their association with banking service quality and other factors while making a choice. On the other side men are observed to be more inclined towards religious obligations and most of them consider values of Islam to be prominent in their decision making of banking service selection. However it is recommended to have more detailed analysis in future by differentiating city wise data regarding the consumer behavior in Pakistan.*

Background

Pakistan is considered as one of the leading nation in global structure. The State bank in the state has developed different infrastructure and operational criteria in order to ensure that the transactions of Pakistan are governed on basis of the Islamic values. However the banking sector has often received different perspective from the local people. Therefore the banking systems are bringing in the differences in their operations to ensure that the overall outcomes can be linked with the local people preferences (Adnan, 2024). Even today different Ulmas and scholars are coming forward to share their perspective about the Islamic values and principles been followed in specific banking services. Promotional activities are transformed with the preferred transaction style rather than the conventional transaction style (Abrar et al., 2023). On the other hand, the commercial banking services are observed to be equally developed in the Pakistani market. The major concern is regarding the shift behavior in the consumer and there is need to evaluate that what are the key factors that are giving rise to this shift in the purchase behavior. Banking systems are in great progress in Pakistani market whether it be commercial bank or Islamic bank but the growth of Islamic bank open up more potential for the conventional banking system to identify the opportunity for them that can help them expand their horizon (Ali & Hussain, 2024).

Introduction

When it comes to gender differences, the choices of the consumers do change on basis of their mental mapping and their decision making ability, for instance price consciousness is more observed

in women as compared to men when it comes to routine buying. On the other side, when it comes to luxury buying again men are observed to be engaged in buying more luxury products like Yachts, watches, cars etc. (Afzal & Hassan, 2018). Income of the individual is surely an important determinant for the purchase behavior evaluation. However the choices of the individual are also influenced by the other external factors like the income, gender, prices and at the same level the internal personal preferences like social influence and religious belief. Therefore, it is important to evaluate that how the purchase behavior and dependability on religiosity can differ among the consumer market and how they consider different purchase on basis of their gender where their roles and responsibilities in the society are totally different. The evaluation can offer better insight to the players in the sector and they can learn about their most potential target audience to focus upon. It is also a potential source of evaluating the consumption patterns which can develop better understanding and help in transforming the products on local preferences (Lau et al., 2023). This leads to the development of concern about the differences in banking services choices in the Pakistani market considering the gender differences. The current study put forwards the idea of exploring if gender plays a role in accepting religiosity based marketing by the banks or if gender plays a role in changing the choice of banking services adoption and their perception about religiosity based services provision by banks. The ultimate objective of the study is therefore to evaluate how Islamic products by the banks have been adopted or preferred by the consumer market in Pakistan specially differentiating in terms of their gender.

Research Question

In order to make the overall research objective achievable the research has developed certain questions to be answered. The key research question of the study is;

Q1. What is the role of gender in consumer's decision making regarding the adoption or preference of religiosity based banking products in Pakistan?

Specific Research Question

Q2. Are men more religious in their banking service purchase as compared to men or vice versa?

Q3. Are there any other factors that are preferred by customers in making banking service choice, gender based?

Futuristic Research Questions

Q4. What is the potential of religiosity based banking services in Pakistan, which gender is the most potential customer?

Statement of Problem and Theoretical Framework

Consumer market undergoes different perspective and details in order to make a final decision of purchase whether it be routine shopping or occasional buying. According to the theory of Durkheim, the concept of religion is very significant. It can transform the consumer behavior and it can offer better decision making insight to the people to act in accordance with it. The overall religion holds a great part and the decision making in the consumer market can be changed according to it. The purchase and practices are based on the religious values and the services and products that are against the religious values are often considered offensive and the consumers try to avoid it. The overall consumer mental map is developed through the cultural and religious values (Almutawaa, 2023). On the other hand, "theory of social identity" also shares the idea that the consumer buying behavior is also differentiated on basis of their perception of self and their characteristics. According to this theory, the purchase behavior of the consumer is a lot more influenced by the gender differences that they hold as because of the specific gender, the level of concern and responsibility towards specific purchase is defined (Lau et al., 2023). Banks are transforming towards Islamic designs but the Islamic values are adopted differently by different genders. Some studies have highlighted that women are observed to be more inclined towards Islamic services and products as compared to men (Adnan, 2024). Yet in the context of banking sector in Pakistan, this concept has not yet evaluated therefore it highlights the need to be identified which can help the other banks to learn from it and develop strategies in accordance with it and reflecting the role models that can have direct impact over the potential audience. Also getting into the real time insight through the

secondary tool has also been missing in the previous studies in the same context which further put forward a gap to be filled by the researcher and new knowledge requirement to be fulfilled.

Literature Review

Consumer Behavior

Consumer behavior is basically the decision making process of the individual buyer considering their resources, time, money and the effort they will need to put in purchasing specific goods or services. Consumer behavior by the individual psychological factors, there are different elements including social, cultural and economic factors. All of these factors collectively direct the individual towards specific decision making. The framework in consumer behaviors is linked with the five stages namely; need recognition, information search, evaluation of the available alternatives, decision of specific product or service purchase and lastly post purchase behavior. Consumers go through these stages and on basis of their overall available resources and information they make the final decision (Ahmed, H., & Afzal, 2023). Consumer behavior is the way the screening of the products or services is done in the consumer mind therefore marketers need to understand the important elements to make their product or service the most preferred option for their target audience (Ambika et al., 2023).

When it comes to the banking service, savings, accounts, loans and credit card services along with other packages are all the banking products which are purchased on basis of the values of religion and society. The perceived trustworthiness, reputation and the brand loyalty all together are built on these factors and it gives rise to the projection of the overall decision (Abbas et al., 2019). Psychologically the overall consumer emotions and perception are all collectively linked with the environmental conditions and values that give rise to their banking choice (Ahmed et al., 2020). Socio cultural factors are significant part of consumer behavior and the consumers make use of the collective factors to make choices and views of the family members. The choice of banking service and the role of individualistic society are all together influencing the choice of the consumers (Hassan & Wood, 2020).

Factors Affecting Banking Choices

Different factors influence the customer choices of banking services and it can vary as per individual, regional and demographic level. The primary factors which impact the choice of banking services include the reputation of brand, the perception about transparency, good customer services etc are some of the key elements (Ali & Hussain, 2024). Some studies value Religion as important part of promotional activities especially that include the transactions because the consumer market has strong influence of their religion on their buying behavior (Agarwala et al., 2019). Saudis and other people living in Riyadh have been tested by one study by Auf et al (2018) which reflects that price, perceived cultural importance and religion are all together significant factors which impact the overall buying behavior of the consumers. On the other side, the role of gender cannot be ignored, the adoption of luxury, basic need products and routine miscellaneous purchase are all impacted by the gender differences as the screening process and the buying behavior are shifting due to the differences of gender (Ye et al., 2017).

Convenience on the other side is another key factor which influences the overall buying decision. The availability of the physical branches and the online services along with mobile app user friendliness are all together the key factors which help in capturing the attention of the consumer market. The consumers increasingly prefer banks on basis of the integrated experience across different channels (Ali et al., 2024). However it is not doubt true that the overall consumer behavior is influenced by the availability of digital services and instant solutions by the banking system. But when it comes to the banking services operating in Islamic states, the availability of interest free banking service is the key influencing factor. The product offerings and customization are focused on tailoring the needs and specializing the loans, investments and the overall product for the customers (Arhsed & Kalim, 2021).

Digitalization and technological innovation is changing the way consumers behave, even the Fintech industry is trying to integrate different revolutions like AI and Blockchain to become more profound and to improve the technological capabilities which can help influence the consumer

behavior and increase their preferences of the banking service for instance account opening, mobile banking services and advanced security features etc. (Ahsan et al., 2021). Demographics also play a crucial part and the social community indeed can change the overall perception of buying among the consumers. These factors are equally applicable in the context of banking service (Adnan, 2024). Improved CRM systems and better customer services delivery are the key aspects on basis of which often the consumers are developing perception about the banking service quality therefore it is essential for the banks to realize this need and develop strategies accordingly (Daqar & Smoudy, 2019).

Gender Role in Consideration of Religiosity in Banking Service Purchase Decision

Intersection of gender and religiosity in banking services has received major attention recently. The literature has become more tailored towards this area but the consumer preferences are yet to be defined because the gender differences in financial decision making is still not clearly identified (Adi & Adawiyah, 2018). The indirect studies however suggest that the financial spending and the decision making are influenced by the psychological factors. The socio-cultural factors play more profound role in transforming the decisions (Alarifi & Husain, 2023). When it comes to the gender differences, women are observed to be more oriented towards religious values and they are considered to be responsible for the development and learning of their child and creation of a happy family in some traditional concepts due to which the association of female or women with religious and cultural oriented decision making is observed to be higher (Akmal et al., 2023). On the other side, some studies highlight that women are more influenced with profit and attractiveness while men are more focused towards the values and facts associated with cultural and religious structure to which they belong. On the other side, ethical consideration and society norms are more focused and valued by men; therefore the financial decisions are deeper and based on responsibility in men as compared to women (Basheer et al., 2018).

Religion and Sharia compliant financial products are also considered as to be differently perceived by different demographics but to be more profound it is important to evaluate whether the role of gender plays the same way likewise in other sectors. The role of gender is equally important to be evaluated and therefore the current study is focused on filling the gap and identifying the role of gender specifically in the Islamic republic of Pakistan as Islamic banking services are growing in Pakistani market (Dandis et al., 2021). Gender and religiosity have been connected in many studies but the current study offers more profound understanding whether or not gender plays a role in making the choice of banking service (ElMassah & Abou-El-Sood, 2022).

Methodology

The current study is based on collecting real time opinion of the consumer market of banking sector from Pakistan therefore random sampling has been adopted where the data has been collected from different consumers present around the country. Different cities have been part of the study comprising of a total of 16 interviews have been conducted which include people from different cities to ensure they represent the overall consumer market of Pakistan. Reaching out to the whole population of Pakistan or the banking customer was not possible practically that is why only specific consumers have been considered as the key participants and the interviews are conducted. The data has been collected from both genders so that the combination of the data can help in making more prominent reflection about the consideration of the factors in making banking sector choice. The study is based on interpretivism where the data has been collected through qualitative approach that is interview and the diverse set of data collected is analyzed on basis of the expertise of the researcher. Interpretivism believes that the reality is present with everyone and it can be different for each individual based on their experiences.

Cities	Respondents (part of interview)
Karachi	4 (2 male, 2 female)
Lahore	4 (2 male, 2 Female)
Islamabad	4 (2 Male 2 Female)
Peshawar	4 (2 Male 2 Female)

The above table shows that the distribution of the gender in collecting data has been equal, the study consist of 8 male and 8 female represented living in different cities of Pakistan thus offering diverse perception access and representing the overall data access.

Data Analysis

The data analysis is done manually as well as nVivo based where the data extracted from the interviews is transcript and evaluated so that the real time differences of religious based banking service consumption of both genders can be evaluated in the context of Pakistani market.

Results and Discussion

Themes Emerged from Manual Analysis of the Data

On basis of the manual analysis, following are the key factors identified by the respondents that have influenced their buying behavior;

Quotes from interview	Emerging Theme	City
<i>"as I was student and secondly job appointment as well"</i>	Job requirement	Karachi
<i>"I work so salary is credited and in Habib bank I opened it quite long ago which is also current account"</i>	Job requirement	Karachi
<i>"someone already was using meezan bank in my family"</i>	Family recommendation	Karachi
<i>"I made the account in 2021 as meezan bank was given the award of best bank in 2020 for its digital services"</i>	Digital services	Karachi
<i>"okay so my bank islami account is my personal account as it is near my house and convenient"</i>	Convenience and Service	Lahore
<i>"meezan bank had good services online"</i>	Digital services	Lahore
<i>"as I am the student of Islamic university so in Islamic university there was the branch of allied bank"</i>	University requirement	Lahore
<i>"the branch was near as only hbl was there in my vicinity and the services were good"</i>	Convenience and Service	Peshawar
<i>"I did not consider religion whereas I considered convenience"</i>	Convenience and Service	Peshawar
<i>"I have a simply salary account"</i>	Work requirement	Peshawar
<i>"It is the requirement of company"</i>	Work requirement	Peshawar
<i>"national bank is government operated and it has 100 plus branches and its services is also good"</i>	Convenience and Service	Lahore
<i>"selected meezan bank on the basis of Islamic structure of banking"</i>	Religion	Islamabad
<i>"Actually I have a student account"</i>	University requirement	Islamabad
<i>"I have work account"</i>	Work Requirement	Islamabad
<i>"banks which are giving better and convenient services"</i>	Convenience and Service	Islamabad

Above table reflects the factors along with religion that impact the choice of customers in their purchase of banking services. Considering religiosity in the buying behavior of banking service, following were the responses against the interview questions;

Responses	Gender
<i>"basically I'm not that strict just moderate"</i>	Female
<i>"No in my perspective we are Muslims but moderate is the right way"</i>	Male
<i>"I consider myself moderate" "absolutely religious thing was kept as a priority"</i>	Female
<i>"I strictly follow Islam when considering banking" "banks can't work without interest"</i>	Male
<i>"we are actually using Islamic as a business in banking sector"</i>	Male
<i>"no honestly speaking I don't consider the religion factor"</i>	Female
<i>"they consider Islamic values to a certain degree"</i>	Female
<i>"okay so I would consider myself moderate not a beginner neither advance"</i>	Female
<i>"I think they don't follow and keep it till advertisement"</i>	Female
<i>"without interest banks can't operate"</i>	Male
<i>"I have done some research and asked banks on which I came to know it s only done in advertisements"</i>	Male
<i>"I follow islam in all aspects like in buying and selling"</i>	Male
<i>"in some banks it is not present as they use it only for advertisements but there are some banks that do follow"</i>	Male
<i>"I would call myself moderate"</i>	Female
<i>"religious matters should also be kept in mind, many banks are using Fatwas to confirm"</i>	Male

Conclusion

The overall analysis has reflected that majority of men are more focused towards religious values when it comes to their banking service choices. The consumers on overall have different factors like convenience, religion, digital services, peer and family recommendations that influence their buying behavior. The current study offers implications towards the banking services to understand the key factors on basis of which the choices of consumers are changing and it also offers understanding to the banking management to realize that Islamic banking is surely valued but more in men, in female market there is still more focus towards the offering, convenience and peer recommendation to make the choice. In future it is recommended to work on city wise analysis of the key factors along with religion that influence the banking service selection by the consumers present in Pakistan.

References

- Abrar, M., Abbas, S., Kousar, S., & Mushtaq, M. (2023). Investigation on the effects of customer knowledge, political support, and innovation on the growth of Islamic banking system: A case study of Pakistan. *Journal of the Knowledge Economy*, 14(2), 946-965.
- Adi, P. H., & Adawiyah, W. R. (2018). The impact of religiosity, environmental marketing orientation and practices on performance: A case of Muslim entrepreneurs in Indonesia. *Journal of Islamic Marketing*.
- Adnan, D. S. K. (2024). Research Review of the "Salam" Islamic Financing Method in Pakistani Islamic Banks: A Case Study of Bank of Khyber and Meezan Islamic Bank. *Remittances Review*, 9(1), 3026-3038.
- Abbas, A., Nisar, Q. A., Mahmood, M. A. H., Chenini, A., & Zubair, A. (2019). The role of Islamic marketing ethics towards customer satisfaction. *Journal of Islamic Marketing*.
- Almutawaa, D. S. (2023). Religion across cultures/subcultures and consumer behavior. In *Religion and Consumer Behaviour* (pp. 110-123). Routledge.
- Afzal, T., & Hassan, S. (2018). Hindrance of mudharabah financing: a study from islamic banking industry of Pakistan. *International Journal of Islamic Banking and Finance Research*, 2(2), 16-23.
- Agarwala, R., Mishra, P., & Singh, R. (2019). Religiosity and consumer behavior: a summarizing review. *Journal of Management, Spirituality & Religion*, 16(1), 32-54.
- Ahmed, H., & Afzal, S. (2023). Evaluating sukuk investment intentions from a social cognitive perspective: the case of Pakistan. *Journal of Banking and Social Equity (JBSE)*, 2(1), 1-18.
- Ahmed, M. A., Zulfiqar, R., ul Haq, M. A., Kausar, N., & Khalid, S. (2020). Customer Purchase Intentions toward Islamic Banking Products in Pakistan: A Study of Religiosity - Based Marketing. *Asian Economic and Financial Review*, 10(10), 1187-1202.
- Ahsan, M., Rana, Z. A., Ali, M., & Anwer, K. (2021). Assessment of knowledge, concerns and support of physicians towards bio banks in Pakistan, and their willingness to donate. *Science Progress and Research (SPR)*, 1(4).
- Akmal, E., Panjaitan, H. P., & Ginting, Y. M. (2023). Service quality, product quality, price, promotion, and location on customer satisfaction and loyalty in CV. Restu. *Journal of Applied Business and Technology*, 4(1), 39-54.
- Ali, M. A., & Hussain, T. (2024). Islamic Banking Products, Services and Objectives: A Comprehensive Analysis of Stakeholders' Opinions. *GISRAS Journal of Management & Islamic Finance (GJMIF)*, 4(1).
- Ambika, A., Shin, H., & Jain, V. (2023). Immersive technologies and consumer behavior: A systematic review of two decades of research. *Australian Journal of Management*, 031289622311814 29.
- Arshed, N., & Kalim, R. (2021). Modelling demand and supply of Islamic banking deposits. *International Journal of Finance & Economics*, 26(2), 2813-2831.
- Auf, M. A. A., Meddour, H., Saoula, O., & Majid, A. H. A. (2018). Consumer buying behaviour: the roles of price, motivation, perceived culture importance, and religious orientation. *Journal of Business and Retail Management Research*, 12(4).

- Basheer, M. F., Khorrami, A. A. A., & Hassan, S. G. (2018). Patronage factors of Islamic banking system in Pakistan. *Academy of Accounting and Financial Studies Journal*, 22, 1-9.
- Dandis, A. O., Wright, L. T., Wallace-Williams, D. M., Mukattash, I., Al Haj Eid, M., & Cai, H. (2021). Enhancing consumers' self-reported loyalty intentions in Islamic Banks: The relationship between service quality and the mediating role of customer satisfaction. *Cogent Business & Management*, 8(1), 1892256.
- Daqar, M. A. M. A., & Smoudy, A. K. (2019). The impact of consumer buying behavior on customer relationship management in the banking sector. *International Review of Management and Marketing*, 9(4), 39-46.
- ElMassah, S., & Abou-El-Sood, H. (2022). Selection of Islamic banking in a multicultural context: the role of gender and religion. *Journal of Islamic Marketing*, 13(11), 2347-2377.
- Hassan, H. E., & Wood, V. R. (2020). Does country culture influence consumers' perceptions toward mobile banking? A comparison between Egypt and the United States. *Telematics and Informatics*, 46, 101312.
- Lau, M. M., Ng, P. M. L., Chan, E. A. H., & Cheung, C. T. Y. (2023). Examining purchase intention for luxury fashion: integrating theory of reasoned action, with affect-behavior-cognition (ABC) model, identity and social identity theories. *Young Consumers*, 24(1), 114-131.
- Ye, L., Bose, M., & Pelton, L. E. (2017). How gender identity affects consumer behavior: Overview and historical analysis. *The Journal of Business Diversity*, 17(4), 9-24.

Appendices

Appendix 1: Interview Question

Demographics

Following demographics were recorded initially in interview;

Gender

- Male
- Female

Age

- 18-24
- 25-35
- 36 and above

City

- Karachi
- Lahore
- Islamabad
- Peshawar

Question 1: Are you using banking service?

Question 2: Why have you selected the specific banking service?

Question 3: What is the level of religiosity that you follow when it comes to buying behavior? Specially banking service?